## Economic Development and Finance Committee
### Standing Committee Meeting Agenda
#### Monday, April 28, 2014
5:45 PM

**Location:**
Municipal Office Building
701 N 7th Street
Kansas City, Kansas 66101
5th Floor Conference Room (Suite 515)

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<td>Vacant</td>
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<td>Commissioner Brian McKiernan, Chair</td>
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<td>Commissioner Gayle Townsend</td>
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<td>Commissioner Ann Brandau-Murguia</td>
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<td>Commissioner James Walters</td>
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<td>David Alvey - BPU</td>
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### I. Call to Order/Roll Call

### II. Approval of standing committee minutes from March 3, 2014

### III. Committee Agenda

**Item No. 1 - REPORT: QUARTERLY INVESTMENT REPORT**

**Synopsis:**

*For information only. No action required.*

**Tracking #: 970146**
Item No. 2 - ORDINANCE: HAPPY FOODS PROJECT

Synopsis:
Ordinance authorizing the issuance of Transportation Development District Sales Tax Revenue Refunding Bonds (Happy Foods Project), Series 2014 in the maximum principal amount of $340,000, submitted by Lew Levin, Chief Financial Officer.
Tracking #: 140131

Item No. 3 - ORDINANCE: PRESCOTT PLAZA PROJECT

Synopsis:
Ordinance authorizing the issuance of Transportation Development District Sales Tax Revenue Refunding Bonds (Prescott Plaza Project, Series 2014 in the maximum principal amount of $1,550,000, submitted by Lew Levin, Chief Financial Officer
Tracking #: 140132

Item No. 4 - COMMUNICATION: SPORTING KANSAS CITY (SKC) AGREEMENT

Synopsis:
This item is being presented as a follow-up to the April 7, 2014 Economic Development and Finance Standing Committee meeting, submitted by Doug Bach, County Administrator. As per standing committee direction, a series of informational meetings are being held and an amendment to the development agreement to provide 8 additional FUTSOL courts in our community.
Tracking #: 140138

Item No. 5 - COMMUNICATION: JE DUNN

Synopsis:
JE Dunn has acquired a 20+ acre site at 240 S. 65th St. and they intend to consolidate three logistic divisions on site. The project is expected to include an 80K sq ft facility and includes 65 FTE to be relocated at the site, submitted by George Brajkovic, Economic Development. The building/land are expected to be a $9M investment, but including the equipment bumps the total Capital Investment to over $45M. JE Dunn is requesting for the use of IRBs, not backed by the UG, and qualifies for a 65% abatement PILOT.

DOCUMENTS FORTHCOMING
Tracking #: 140135
IV. Outcomes

V. Adjourn
The meeting of the Economic Development and Finance Standing Committee was held on Monday, March 3, 2014, at 5:30 p.m., in the 5th Floor Conference Room of the Municipal Office Building. The following members were present: Commissioner McKiernan, Chairman; Commissioners Townsend, Murguia, Walters; and BPU Board Member David Alvey.

Chairman McKiernan called the meeting to order. Roll call was taken and members were present as shown above.

Approval of standing committee minutes for January 6, 2014. On motion of Commissioner Murguia, seconded by BPU Board Member Alvey, the minutes were approved. Motion carried unanimously.

Chairman McKiernan said to let you know, we do have a blue sheet item on this agenda as well and it will end up becoming Item No. 2. That’s just a modification to our original agenda marking the item for presentation and discussion, although we may suggest action. Item No. 3, the information on MK Specialties Tax Abatement, that is the blue sheeted item that has been added to this agenda. It will be Item No. 3 under the Committee Agenda.

Committee Agenda:

Item No. 1 – 1400065… RESOLUTION: CROSS LINES TOWERS

Synopsis: Cross Lines Towers is requesting the UG to issue multifamily housing revenue bonds for the renovation of the Cross Lines Towers Apartments located at 1021 N. 7th Street, Kansas City, Kansas 66101, submitted by Charles Brockman, Economic Development.
Charles Brockman, Economic Development, said this is a Section 42 LIHTC project. In order for it to move forward and to full commission, we would need approval of a resolution on intent. We’re acting as a conduit for bonds and this is only a temporary financing mechanism. This resolution of intent is twofold. First, it’s to go to the state because they will need that. As you know versus a resolution of support which is a 9% LIHTC, this is a 4% so the state requires a resolution of intent versus that. The second is to produce this to HUD to show the temporary financing. Once the financing is in place by HUD, it will pay the bond off. Lew is here to talk about any of the financials that you have and we have the developer and the contractor Bob Hughes and Steve Foutch.

Commissioner Murguia said I thought this was always the intent with this project. We’ve been over this a couple of different time. What am I missing? Why are you back here today? I thought we talked about this. Mr. Brockman said well, commissioner, the project was spoken about when we spoke about the memorandum of understanding for the garage. The parking garage went forward and that was the memorandum of understanding. Now we have to go through the LIHTC. They’ve produced LIHTC applications. We graded it and got a 68 and now it has to have the resolution of intent to move forward. Commissioner Murguia said when you say resolution of intent, you mean the letter from the commissioners that goes to the state saying we endorse this project. Mr. Brockman said correct. Doug Bach, Deputy County Administrator, said we just approved the concept earlier. We didn’t have formal action.

Lew Levin, Chief Financial Officer, said just to clarify, the resolution of intent is to issue multifamily housing revenue bonds. That’s a little bit different than you do for the typical LIHTC project. Although we’re the issuer, we’re not the backer of those bonds. The developers are working with a private firm to market those bonds. My understanding of those bonds are they are really going to be used for interim financing during the construction period. Once the construction is completed, then they’ll be able to access tax credits as well as the HUD loan.

Action: Commissioner Murguia made a motion, seconded by Commissioner Walters, to approve.

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Chairman McKiernan said like you, I blurred the line. When we talked about the parking garage part of it, I just mentally imagined the whole project and I didn’t split that parking garage off so I was like you when that first came back. I was like we’ve already done this because I think at the time we really endorsed the concept of this project as a very good one.

Roll call was taken and there were five “Ayes,” Alvey, Walters, Murguia, Townsend, McKiernan.

**Item No. 2 – 140066…** Presentation: NorthPoint Development LLC

Synopsis: NorthPoint Development, LLC is proposing a redevelopment for the Public Levee site, consisting of a single 342,000 sq. ft. industrial building, submitted by George Brajkovic, Director of Economic Development.

Chairman McKiernan said Item No. 2 on our agenda tonight was originally a resolution for NorthPoint Development, LLC. Instead of a resolution, it is reframed as a presentation.

George Brajkovic, Economic Development, said you guys probably remember Brent Miles with NorthPoint Development. What we wanted to do tonight is make a presentation to you about the Public Levee Redevelopment project. In the past, we were before you with a different development agreement with a different developer. We’ll give you an update on that. The intent tonight is to kind of get you familiar with the property again, talk briefly about what the old development agreement deal structure looked like, and then let Brent kind of talk about what NorthPoint is proposing on the site.
The current site layout, what we call the Public Levee property stretches on the south end. It does include Kaw Point Park, Buildings A, B, C, D and E. Those were constructed in 1937 by Union Pacific for operation as a food terminal. That project never occurred. The 80 years following, we’ve been using it for quasi industrial purposes. The cold storage facility went offline a few years ago. The Lady Baltimore building that is owned and leased by IRG, which was the original development group. Of course, you have the levee wall here. This conveyor goes from the old levee port site over to the Bartlett Grain which is a separate parcel across Fairfax. For today’s discussion, we’re just focusing on the levee parcel itself and not Bartlett Grain.
Current site condition so if you haven’t been down there, I think these pictures do a lot of justice to it. We’ve got crumbling parking lots but it really gives you an idea of what those buildings look like. They were probably a great design for a 1937 food terminal; they just don’t meet any modern day industrial design standards.

The redevelopment plan by IRG, again, just a little different view of the same site. You’ve got the Missouri and the Kansas rivers. This is Lady Baltimore. The IRG plan suggested four separate development phases. A would have been the construction of a

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standalone building followed by B and C which, again, construction of other standalone industrial buildings and then doing some improvements to the Lady Baltimore facility.

**IRG Development Agreement**

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<tr>
<th>Site Management</th>
<th>Development Incentives</th>
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<td>• 01/01/13 – Assume site management</td>
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<td>• Ground Lease payment to UG - $300k</td>
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<td>○ Reduced as demo occurs, down to a slow as $100k</td>
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<td>○ 2025 – price per acre</td>
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<td>• TIF District approved</td>
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<td>○ Increment from areas A &amp; D for demo/site remediation</td>
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<td>○ Pay-as-you-go</td>
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<td>• IRBs</td>
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<td>○ PILOT for areas B &amp; C</td>
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With IRG, we had two parts to the agreement. One is a ground lease agreement and the other is a development agreement. The ground lease agreement allowed IRG to take over the management of the site, which occurred in January 2013. The ground lease payment in terms of what the structure looked like, they were going to pay the UG $300,000 per year but that could be reduced as they moved forward with the demolition of the existing structures, soon to be replaced by the new buildings, we would reduce the ground lease payment by $50,000 per building. Ultimately, that ground lease payment could go down to as low as $100,000. The structure of the agreement said in 2025, we would then shift that from a flat rate to a price per acre and that price is $3,500 per acre.

The development incentives were twofold. One is a TIF so we created a large TIF district that basically covered that entire levee parcel and it was a pay-as-you-go TIF but the increment would have been generated just from that Building A on the south end and whatever improvements they made to Lady Baltimore. As they did the demo and we’re ready to do Buildings B and C, we would have removed those from the TIF district and used IRBs that had a 10- year PILOT with a projected 75% abatement.

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IRG Development Timeline

- **Area A** – commence construction on new 100k sqft building 9 months after 02/01/13 *(November ’13)*
- **Area B** – commence demolition and site work before 04/01/17, commence construction of new 135k sqft building by **04/01/18**
- **Area C** – commence demolition and site work by 07/01/25, commence construction of new 80k sqft building by **01/01/26**
- **Area D** – Lady Baltimore improvements determined by Developer

The next slide is really busy but what I wanted to show here was the timeline or the sequencing of redevelopment. Area A, which should have commenced by now per the development agreement said November 2013, we haven’t seen any action on that. They engaged with NorthPoint to see if NorthPoint would be interested in playing some role here. Again, what I wanted to show you with this slide is B needed to start by 2018; C was pushed out towards 2026. We did expect all of these to occur in a little more rapid fashion but those were the terms the development agreement laid out. They are behind. Let me turn it over to Brent to talk a little bit about how NorthPoint is proposing to redevelop the site.

**Brent Miles, NorthPoint Development**, said if it’s alright with you, I’d like to start with just a little bit of the 30,000 ft. level. Why do we think this site makes sense. Anybody that’s driven down here, the location is very good. It has good access, it’s visible and it really is the entrance into Fairfax from the southern entrance. It’s what most people see when they first come into Fairfax. Secondly, what we would propose is a large, just shy of 350,000 sq. ft. industrial facility. This is a Class A facility. This isn’t to smirch any of the other developers in the community. In the city of Kansas City, Kansas, not in Wyandotte County, this product doesn’t exist. It exist in Edwardsville. There are a couple of facilities, the EARP facility, the new Xpedx facility, those would be Class A. Wyandotte County industrial wise, that’s all you would see.

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This is an exact replica of what we’re currently building in Riverside Horizons which is obviously just across the river. Class A space, concrete tilt wall, 32 ft. clear height. This is something that I think the community and really the real estate community has been begging for for years which is no one has built really Class A modern space in Fairfax. No one has ever done this. It’s not been possible. The reason it hasn’t been possible, as you might know, is it’s really hard to gather 25 acres of redevelopment in Fairfax.

We, as NorthPoint, are not intimidated by the uniqueness of the project and I’ll go into that in just a second. The other thing that is prompting this, we think it’s a good site on its own. We do still think there are GM suppliers out there that are itching to come to the plant. We’ve seen great activity at Central Industrial Park. We think that we might even have an overflow of activity. We think that Central Industrial Park could be built out this year potentially with GM suppliers. This would allow us another opportunity because of timing to still further those conversations with people that want to come to the community and service GM which, again, is closer to the plant, stronger GM model, cheaper transportation costs can only help that plant and its bottom line. Obviously, we think that’s a great target for us because we build a lot of automotive related facilities. This would be our fourth or fifth one. We are building this to capture one to two tenants. It could be distribution. It could be manufacturing. I will tell you that our floor thickness, our ceiling heights, our lighting everything is done in order to catch an automotive supplier. That’s not something we would have to retrofit later.
I think kind of looking through the uniqueness of the project, if you could say that, I would characterize it not as our largest project, but probably one of our most difficult if not our most difficult.

We have a mass demolition that has to occur. If you’ve ever seen this cold storage building, it is big. It was built in 1937. We have a lot of environmental remediation to do. Asbestos is everywhere. The walls are made of cork on this cold storage about this thick, about the same size as the rats inside. We have some tenant relocation. If you can’t tell, we’re I think,
76 ft. from the levee walls there so the Corps of Engineers has jurisdiction over the entire site. They have to review and approve everything that we do subsurface. We had a great meeting with the Corps of Engineers and the draining district last week that and we got a blessing on that.

We have like I said tenant relocation, the Corps of Engineers, big demo and big environmental. We have promised the Friends of Kaw as well as the administration that we would once and for all solve park access. If you’ve ever been to Kaw Point, the park is extremely difficult to find and get to. We had presented a plan to Friends of Kaw and I’m sorry I can’t remember the gentleman’s name and I feel like we have very good buy in from them and I think they are very happy that we are even setting aside space in what’s called Building E for a cultural facility, they asked us of that. I think we’ve been a good community partner with them.

The idea here and George will relay this on the next step is as soon as we can get through the process with you and then ultimately the tenant relocation and then demo, we will start this building. Our goal would be to try to deliver this building in the first to second quarter of next year. We think we could go that fast. We will be doing very unique things. You will hear about them probably in more detail.

I think we’re going to have the largest crusher in Kansas City pulverizing. Actually these buildings all have basements so we have to crack all those basements. We’re going to be pulverizing onsite. We’re going to be using the brick as a fine and basically creating a grain or material. It’s very unique. We have a guy on our staff that is very sharp and he has come up with this plan. I’m really impressed with how our team has taken such a unique site, unique
being the key term, and turned into something that I think everyone is going to be really proud of. That building will be extremely visible from I-70, obviously when you come into Fairfax and if we can fill it with a GM supplier or two I think that would be a really big win for the community.

Again, there is the elevation, concrete to wall glass on the corners. You can see the fenestration, that’s where the offices would be for the company themselves where you’d enter into the corners. We would have, obviously just again a Class A finish, probably two or three different color tones. Again, this would be investment grade. As I mentioned we’d like to start as soon as possible. We’ve raised the $20M for this project. It is sitting ready to be funded.

Mr. Brajkovic said thanks Brent. The reason we wanted to show you all the details on IRG is to talk about the deal points we’ve been discussing with NorthPoint and to do a comparison of the two. Again, where IRG had the TIF/IRB structure, the proposal with NorthPoint is TIF only. We’d probably want to come back and make some amendments or adjustments to the existing TIF district and that’s probably our last slide we can about how to do that. Again, as Brent mentioned, one of the key factors for us in considering this project is rather than waiting for IRG’s sequencing of events, we can basically get the same total square footage but in a much more compressed timeframe.

Brent talked about relocation of the existing tenants. That’s very important. The UG, we are one of the tenants. We have close to 80,000 square foot of storage space. One of the discussion points we’re having is that our expectation is that NorthPoint would provide some free storage for us until we can construct some sort of facility that can accommodate those storage needs as well. I will say, it was a little tongue-in-cheek the way I said it, but they are obviously a great development partner and they’ve been very open to those discussions. I think we just need to be a little bit open minded about what some of those options might look like.

The ground lease payment, we talked about how the structure with IRG and how we would reduce that over time. What we’ve discussed with NorthPoint then is for year 2014 keeping that ground lease payment at $300,000 but for the time period of 2015-2025 we’re reducing that amount to $215,000. It’s a bifurcated lease where IRG would still pay a portion because they still own and operate Lady Baltimore. Keep in mind the ground lease is just for that underlying ground and not the improvements.

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Actually, NorthPoint proposed doing a CID special assessment based on a per square amount, very similar to the deal structure we have at Central Industrial Park and those two revenue type sources would come to that $215,000. It would stay like that until 2025, again when we would shift to the price break on the ground lease. Future issues with this would be TIF district, amending the ground lease agreement and amending the development agreement in some fashion. The existing TIF is highlighted by the green outline on this map. Again, as you can tell it picked up the entire site. What Brent was talking about, the 25 acres includes this parking field on the south end, Buildings A, B, C, D, E and Cold Storage. That carves out about a 25 acre redevelopment site.

One of the things we’re talking about is if we amend this TIF district, we should probably do project areas where we can keep the park as a project area and hopefully use some revenue there to do whatever we need to do in the park, make Lady Baltimore its own project area and then do this as the first project area to address. When we created this TIF district with IRG, that was effective in the fall of 2012, we never advanced the TIF plan. Again, in Kansas a TIF is a two stage district and then plan and your 20 year clock doesn’t start winding down until you’ve approved the plan. We haven’t lost anything as far as the amount of years available for the TIF and we’re working with NorthPoint right now to develop a TIF plan to advance this project.

Again, we talked about Kaw Point Park but one of the things important to mention is our practice has been when we do TIF projects we want to grab as much as the existing right-of-way we can so we can do any necessary improvements there. We can open it up for questions. Again, what we’re doing tonight is presenting some information about what our discussions have been with NorthPoint. We really would like to gage your interest. Is this a project we should pursue with them and anything else you might want to tell us?

**Commissioner Murguia** said I have a question or two and then a comment just to make. On the other side, the first slide you showed me of just I think you said the first 15 acres of that, Brent, was going to redevelop next to the little white road area. Is that a road? Is that a road you’re going to drive on? What is that? **Mr. Brajkovic** said this is the existing stop light now. What they are proposing is they’ll close—there’s an entrance here now. This site plan still needs to be reviewed by Public Works but the proposal is to close this one because it’s really an issue with merging traffic here, flow everything down to the stoplight and you can see they’ve put quite a

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large turning radius in here so that can service both the tractor trailers that would come into this site for business but also for any boats and trailers because, again, the access to the park and the boat ramp. **Commissioner Murguia** said no, I mean with the white circle. **Mr. Miles** said I think its Google Earth picking that up as an underline. I think that is just the access inside the park commissioner I think Google Earth is just the image of something off. **Mr. Bach** said that’s all on the other side of the levee wall. **Mr. Brajkovic** said eventually you would follow this road and we’re not sure why the site plan cut it off. This is kind of the dedicated entrance to the park and that’s when the expectations are improved signage in terms of here’s the park, a way finding how do you get there and then also, Brent, they’ve agreed to overflow parking when there are events at the park on the southern tip to allow for some sort of access agreement for overflow parking.

**Commissioner Murguia** said since we’re not voting on this, I just have a suggestion. It may or may not work. It’s just always been interesting to me when you drive into—Brent I think it was you that referred to this area as sort of the gateway to Fairfax. I kind of like it. You can definitely see where the property lines of the General Motors plant is when you drive up there in the summer because the grass is all mowed at the same height and it’s always manicured in the same manner. It would be nice about this site, if it’s at all possible, and it might be a cost savings to us as well as helpful to Brent and their development if we could provide additional incentive so that the easement areas in the park, general maintenance become that of the burden of the developer for this site. I’m just talking like mowing the grass, any improvements would still be our park, any improvements like planting a tree would not fall with Brent’s—**Mr. Miles** said we had a similar agreement on Village West Apartments commissioner, where it’s still your right-of-way, you still own it but we maintained it, if that’s what you’re asking. **Commissioner Murguia** said I want you to do that there. It would be great if you could keep that area. I mean that whole area that’s encompassed within the TIF area. It would be nice to have it all nice and neat and uniformly taken care of. I just know what our mowing budget is and I bet yours is better than ours. I think that would be a good way to have this whole sort of gateway area looking nice, even if we had to provide some additional incentive I think we would still fair better in that deal than the other way around. **Mr. Miles** said commissioner you have my
Commissioner Murguia said okay that’s great. That was just an aesthetic thing. I am just curious, you said at the beginning of this presentation that a lot of this interest in development, I’m assuming, a result of the expansion at General Motors and the commitment to keep the plant there. A lot of these tenants are suppliers to General Motors. I’m sure you all have thought of this but I just need to say it out loud to make sure that we are not putting all of our eggs in one basket. Surely the suppliers are also supplying other entities besides General Motors. I don’t know about property availability in Fairfax because I very seldom drive through there frankly, but I would hope that if the suppliers supply to General Motors and other industries that we are looking to recruit those complimentary industries to this area. There’s somebody that’s got to know more about how to do that than me. Mr. Miles said it’s typically not the tier 1 suppliers that would supply other businesses, it’s the tier 2 and tier 3 suppliers who would supply them, for example, hoses, clamps, and machine shops. Typically the big tier 1 suppliers only have GM, potentially Ford, and potentially Harley as their clients just because of the specificity of the machining that inside. We’re always trying to say, okay you supply dashboards, where do you get your molds, where do you get your plastics, where do you get this because that’s what would be a tier 2 and tier 3 suppliers? We’re always trying to find the supplier of the supplier. Commissioner Murguia said great. I just want to make sure someone is doing that and we’re not putting all of our eggs in one basket with General Motors and just building our whole industrial area around that one particular industry. Mr. Miles said I shared this with Doug and George but we have a gentleman on our team, Chad and he travels to Detroit at least once a month, sometimes twice a month and meets with GM directly asking those kinds of questions. Commissioner Murguia said fantastic, thanks. That’s all I had.

Commissioner Townsend said I guess as one of the computer companies that says yahoo. That’s great. Mr. Miles said I thought you had a lead for me. Commissioner Townsend said I do have a couple of questions. The first one has to do with my understanding that you mentioned automotive suppliers will be your target group and that the building will be constructed with them in mind. How adaptable will it be if you don’t get all of the suppliers that
you want that are just automotive? Mr. Miles said to answer that answer specifically, automotive suppliers typically have two or three special requirements. Other people can use those, but if you don’t have them you’re eliminated. It’s cheaper to put it in upfront as opposed to adding it later; those would be heavy power, which you guys and BPU really like. You need to make sure you put enough conduit and enough panels in that you can have somebody that’s doing injection molding, stamping, and a 15,000 amp service. We’re working with a 15,000 amp service right now in Riverside and their annual electric bill is $6M. You need to have conduit that can hold that. It’s cheaper to bury it now, than to have to go in and put it in later. Floor thickness, typically they have a lot of heavy machinery so you need to make sure that your floors are thick enough that can hold the weight of that heavy machinery. The third one is just a pretty simple one which is the GM suppliers actually require a special dock, the highest most expensive dock that you can buy. If you saw that rendering of the docks, all those docks and seals, they have to have a lock, and they have to have special lighting all of that. They have to be able to carry a 45,000 pound forklift. We go ahead and put that in. If Amazon came today, they wouldn’t need a 45,000 pound load leveler is what it’s called but it wouldn’t hurt them. It would be suited. If you don’t put it in and a GM supplier comes knocking on the door and says here’s my requirement, you can easily get cut from the list. I always think economic development and real estate are similar in that. It’s a game of elimination many times. Somebody somewhere wants to check you off that box. Oh you don’t have 15,000 amp service, oh you don’t have 45,000 pound load leveler, I’m sorry we’re looking at the next building. Again, from our 200 proposals, we’ve listed what our buildings don’t have in Riverside and then we price them. This building gets the benefit of learning from essentially 10 buildings that have been refined over time, knowing what we see from clients.

Commissioner Townsend said great. Thank you. With regard to the moving of existing tenants, are there any tenants in the Fairfax area, not in Buildings A, B, C or D that are going to be impacted by this. Mr. Miles said no. Commissioner Townsend asked not on the Trafficway side outside. Mr. Miles said there’s not. Let me note this. I want to be clear with your answer. We’re still trying to find a way to configure our road around Lulu’s. They’re not in those buildings that you discussed. I want to be clear about that. We do not know yet if we can get our turning radius for that drive to miss Lulu’s. Commissioner Townsend said any

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interruptions to existing companies would be a hardship for sure. **Mr. Miles** said it would be our intention to try to keep Lulu’s. We actually think that is an amenity. **Commissioner Townsend** said I’m glad to hear about the park access with the Friends of Kaw and you working with that. That is an underutilized and very nice park. This would be great that people would be more easily able to identify where it is and get access to it. Any other questions about some of the numbers I will get with Mr. Brajkovic later.

**Chairman McKiernan** said originally this was on our agenda as a resolution, now as a presentation. We really have if we choose to; we’ve got a couple of options here. Once the development agreement has been finalized we could ask Mr. Brajkovic to bring that back to this committee where we could then vote on it prior to it forwarding to full commission. Alternately we could if we chose, if we agree in concept with the deal points and the framework that has been outlined here, we could just authorize Mr. Brajkovic to create the development agreement and then bring it to full commission for voting on the resolution that accompanies it.

**Commissioner Townsend** said I think I would like to see the actual details come back to this body first. We could do the gut work and then expedite it. **Chairman McKiernan** said well in that case if you could when the deal points have been actually finalized bring that back and we will then vote on the resolution at that point and time. Thank you so much.

**Action:** This item is for presentation only. No action requested at this time.

**Item No. 3 – 140079…INFORMATION: MK SPECIALTIES TAX ABATEMENT**

**Synopsis:** MK Specialties, located at 6297 State Avenue, had previously been determined eligible for an EDX tax abatement by R-38-07 on March 22, 2007; however an ordinance granting the tax abatement was never presented for consideration. Staff would like to advance this for a public hearing to consider the abatement and ordinance on March 20, 2014.

March 3, 2014
Chairman McKiernan said Item No. 3 is the bluesheeted item on our agenda tonight. I just need to clarify something here, the request for action says for information only but if I’m not mistaken do we need to approve to move this forward for a public hearing. George Brajkovic, Economic Development, said yes and no. The issue is this is—if you’ve read the material this is an administrative error that we’re trying to correct. This is an EDX, which is a constitutional exemption. EDX is very similar to IRB; it’s just a different method of delivering the tax abatement. What happened in 2007 was the staff had completed only step one of the three required steps on the EDX. They did a resolution saying hey this project qualifies for the abatement under the eligibility requirements in the policy but what they failed to do was come back to full commission for an ordinance, well number one to conduct a public hearing to consider the abatement and then if it got approved an ordinance that actually grants that abatement and then follow that up with an application to COTA now VOTA. They only did step one.

What we were going to attempt to do was bring an ordinance tonight but the more we delved into it we noticed there was never a cost benefit analysis completed and not a public hearing so what we suggested is I think we can put this together to ask for a public hearing on March 20, 2014. It doesn’t require the public hearing to be set by resolution. We can simply run that in our official publication. I think if we get everything ready for March 20, 2014 you’ll hear all the details and we can present it to you.

What we’re trying to do is—you know we’ve got a business owner that expected to have and qualified for tax abatement from 2007 – 2016 and here we are in 2014 and they’re yet to see any abatement. We’re trying to expedite it as much as we can. That was a long winded answer to say it is for information only but what we are requesting is that we can take it straight to full commission for that public hearing.

Chairman McKiernan asked would it be beneficial for us to vote on a motion to do that. Mr. Brajkovic said I think so.

Action: Commissioner Walters made a motion, seconded by Commissioner Murguia, to bring this item to the full commission for a public hearing on March 20,
2014. Roll call was taken and there were five “Ayes,” Alvey, Walters, Murguia, Townsend, McKiernan.

Outcomes

Item No. 1 – 140064…COMMUNICATION: TIF FINANCIAL STATUS REPORT

Synopsis: Communication presenting a TIF financial status report which details each TIF since 1991, submitted by Charles Brockman, Economic Development. In addition to the separation of residential and commercial projects, the financial status is broken into three categories: 1) Current TIF’s, 2) TIF’s paid off early and 3) Other.

Chairman McKiernan said staff has prepared a report and Commissioner Walters had asked that we take a look at our TIF (Tax Increment Financing) deals over the years, look at how well those have done and see if we want to use that information to potentially make any changes to our economic development incentive policy and procedures. Tonight staff has created a report and has a presentation on the financial status of our TIF projects. They also have looked at what lessons we might have learned from our previous projects, what changes we’ve already made and what changes we could make in the future to how we organize and structure these projects. Once we’re done with the staff presentation and our discussions then I think it will be up to us as to whether or not we really want to move forward with considering changes to our policies or procedures for economic development incentives. Mr. Brajkovic, are you going to lead this discussion. Mr. Brajkovic said I think Lew and Charles have this one.

Charles Brockman, Economic Development, said as Commissioner McKiernan laid out we did go through the TIF financials. We split it into residential and commercial, we split it also then into three other portions, active, TIFs, paid off TIFs and other. We through that and we put together a financial status report that is laid out from all the TIFs from 1991 to present, residential or commercial. Commissioner McKiernan talked about some lessons learned and I know Commissioner Walters you had some questions about that too. For the most part as we have been moving forward with newer TIFs, those lessons learned have been adopted. We’re putting that into all of our TIF policies now. We’re moving forward with that.

March 3, 2014
As far as our residential TIFs go, the analysis that we found was that over half of our 2006 residential TIFs are not performing and another five did not move forward. Based on that, one of the biggest issues was the economy at the time. 2007 and 2008 hit and it kind of put a stop to redevelopment or slowed it down tremendously. Some other issues were the bonding. At times a full bond was issued and it’s kind of hard to pay on a debt when you only have so much revenue coming in. It was upside down. We did temporary notes and a pay-as-you-go. Despite the rest of the residential, there are some good benefits to it.
New housing revenues and auto registration and sales tax as an example, commercial TIFs are doing rather well vs. residential. We did a comparison after we went through the analysis looking at what the debt is and what the revenue is coming in for 2013 for residential and commercial and on the second page of the memorandum, the debt for residential is $504,879 and the revenue is greater than that. The commercial debt is $3,773,879 and the revenue is greater than that. That’s good as we look at this analysis. We’re opening this to questions as we get into the residential and commercial financial status report. We broke this down as best as we could.
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### CURRENT RESIDENTIAL TIFS WITH NO DEBT

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### TOTALS

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March 3, 2014
It is broke out to the date that it started, oldest to newest, the end date, date issued, the debt that was issued, long-term financing, is the TIF performing, is it fully built out, the bonded debt liability versus the outstanding balance and the debt scheduled payment and revenue for 2013. We sent this and forwarded this to you. If you have any questions, we’ll be glad to answer them.

March 3, 2014
Lew Levin, Chief Financial Officer, said I have a couple of comments or points for clarification. Charles, you pointed to where we simply have a yes/no on TIF performing. A no means essentially that the revenue is in the most recent year or to date has not covered the debt service associated with it. It doesn’t mean that the development hasn’t moved forward, it’s just the development is generating less revenue than the current debt service. The bond and debt liability, you can see there is a difference in timing between when the TIF might have started and when the project went to bonding. It would have only went to bonding when certain expenditures were completed or if it was an infrastructure related debt after that infrastructure had been completed and then it went to long-term financing. The bonded debt liability includes both principal and interest associated with it.

I wanted to go a little bit on a few of the points that Charles mentioned in the memorandum. On steps both from the Finance Department as well as the Economic Development Department, we’ve taken to ensure a stronger performance with the TIF. On the cover memo midway through it on bonding talks about performance measures. An example of a performance measure would be—I’m going to point to the Escalade Residential TIF, where reimbursement does not occur until certain performance measures are completed in this case. They’re based on the completion of housing units. One thing we’ve done sort of to ensure that we get sufficient revenue in development agreements, we required minimum tax payments. For example, the Metropolitan TIF, we have that type of language built into the development agreement. If we’re able to guarantee certain levels of tax payments that allows us to be comfortable to reduce our risks on debt that we may have issued on that project. I think another control we’ve put into place is the timing of the TIF clock and George just alluded to it on this Fairfax project. We approved the creation of the TIF district but where our revenue stream occurs is when the project plans are approved and so by delaying the approval of the project plan we haven’t restricted our ability to garner revenues from the TIF areas. I think Fairfax is a good example. In the presentation on Fairfax that was just made, the developer on that project is going to be a pay-as-you-go project. We have that for several of the TIFs. If we’re able to do pay-as-you-go projects that means the TIF revenues that are generated go towards the developer and the developer incurs the risks. They are going to issue the debt associated with the project as opposed to the Unified Government. In some instances we found pay-as-you-go as a good alternative to reduce our risks.

March 3, 2014
Chairman McKiernan said one thing that I’ve just been reminded of is that I have lost track of time. The mayor had called a special session for 6 p.m. and I was just reminded to look at the clock. It is after 6 p.m. If it is okay with everyone that is here in attendance, I would entertain a motion to take a recess so that the four commissioners can attend that special session, with the intent to reconvene this meeting as soon as that special session has concluded.

Action: Commissioner Murguia made a motion, seconded by Commissioner Townsend, to approve. Roll call was taken and there were five “Ayes,” Alvey, Walters, Murguia, Townsend, McKiernan.

Recess until the special session concluded.

Meeting resumed at 7:31 p.m.

Chairman McKiernan said for staff that is still here, sincere thanks and appreciation. The rest of the commissioners will be back in just a moment. They were stopping by the office on the way back down. We’ll be able to reconvene momentarily. We’re all back from special session. We will reconvene this meeting. Right before we adjourned for the special session Mr. Levin had just gone through from his perspective on the finances. I see that we do have the TIF district maps up now and so staff can continue the presentation.
Mr. Brockman said we put together this TIF map of all the existing TIFs. The asterisk like Turtle Hill, number 28 will show that it’s off. It kind of gives you an idea. It’s broken into commission districts as well. We wanted to show you what is in your districts, if you had any questions on that. Typically right now we are not counting the STAR Bond Village West and Schlitterbahn. Mr. Bach said maybe a couple of comments on clarifying where they are at on the report. As Charles just said, two things of this report, one is, the STAR Bond area is not on here. It is a TIF district, though it’s STAR Bonds. That is technically a TIF area but we thought that would skew the report too much. The dollars of benefit that come in from that area are so overwhelmingly high that it would make the other numbers—it’s kind of its own report by itself.

The other one that is on here that’s really different than any other TIF is the one for Midtown Indian Springs. That was a decision, and you can see, we have an obligation to that report that we’re paying for that property. We did the relocation of the school district within that area. Though that was done because we felt the need to move that forward to get it redeveloped, to acquire the property when we did so, unlike the other ones it did not have a put together redevelopment plan. That was a conscious decision of the commission at the time to say we’re going to move forward, we’re going acquire Indian Springs and we’re going to use our TIF authority to do so. At the time we could use eminent domain to make that happen and it was our
intent to redevelop it but we didn’t have a redevelopment plan. It’s included here as a debt schedule as it works through it but really in conjunction when you consider your revenue to debt flow, I could make a good argument that you shouldn’t count it here because you know because it wasn’t a decision you went through from a policy making board that said this is where we’re going to deduct it. However, overall when you see all of them we definitely make more money off the revenues that are coming in and all the TIF districts than we do pay out.

Commissioner Murguia said wait Doug, can you tell me how come you can make an argument that Midtown shouldn’t be included in this. Mr. Bach said the discussion is more along the lines of policy decision as to why we do a TIF over a certain area. As it went through, we typically do a TIF in conjunction with a redevelopment project that’s ready to move forward. You go through it and we did a feasibility study for this but we also knew we weren’t ready to move on it all at the same time. All of these other projects you go through you have the redevelopment plan, we’re ready to go, 39th & Rainbow, we had the developer ready to move on it and make it happen so you had the revenues coming in at the same time. I’m just saying if you’re evaluating this from a policy that is not a normal one in how we would typically go through our process and decide. We did that because we wanted to get control of that property and put ourselves in a position to redevelop it. All the other ones are done to say okay now we have this redevelopment and it’s ready to move forward.

Gary Ortiz, Assistant County Administrator, said I think it helps if they understand that the laws changed. Mr. Bach said Gary is pointing out that in 2006 the eminent domain law was changing and we took advantage of this TIF legislation in June 2006. It changed in July. In order to use it for that we had to do it at that time. It’s a TIF, I’m not making it an argument it’s not a TIF or where it goes but it’s just there was a different policy making decision made in relation to it than all the rest of these TIFs. BPU Board Member Alvey said in other words it was not necessarily a redevelopment project that you would then use the vehicle of the TIF to help that happen, it was we needed to get moving on this and we have this vehicle of the TIF and if we can bring this under our control then we can go forward with the redevelopment project in the future. Mr. Bach said we’re planning on to do the redevelopment, we’re working on that but
we were still in a very premature state and obviously never made it happen as far as getting the redevelopment done.

Commissioner Murguia said just so new commissioners know, this project happened before any of us were on the commission with the exception of Mike Kane, the only remaining—I just meant he is the only one remaining but the reason I remember the details is because right after is when Mayor Holland and I came on as commissioners and there were a couple of follow up action items, that’s how come I know a lot about the project. Clearly to me, what was very clear is that the commission at the time decided to take on a development project, that in their mind they thought would not be difficult to redevelop and they bonded $20M with no plan in mind at all, thinking it would be relatively simple to develop. I know that because I was here. It was clearly not so because some of the history on that is that this project has been out for RFP more than twice now. Mr. Bach said I believe this is our third or fourth round. Commissioner Murguia said so three times this has gone out as a RFP to be redeveloped and it hasn’t worked out to tell you how difficult it’s been. I just think in fairness to the newer commissioners they need to understand, just because we control the site doesn’t mean anybody wants to develop it or put anything there. The other thing I think is interesting, this is great information when you just look at TIFs and I think that’s good to see what performs and doesn’t. I loved it.

I think it was George that said we all live and learn. Everyone in this room and everyone everywhere else had made mistakes and you learn from the mistakes you make hopefully and you try to make it better as you move forward. I think I’ve seen that happen with the commission and our staff. The other thing that concerns me about these TIF projects is that a number of these projects have additional government money in them beyond TIF and CID incentive. Some of them have millions of dollars of government money in them. I think that is a bit misleading when we just look at these projects from a TIF perspective. Now if no one cares, then I just wanted you to know that, but if you care then I just know there are projects in here that have millions of dollars in other kinds of government funding that don’t reflect the level of investment this government has made.

Commissioner Walters said I believe one of the reasons we’re here tonight talking about this is that back in December the commission was asked to renew our approval of TIF policy. At that

March 3, 2014
time the policy, a short, sweet, paragraph and not very much real direction in it; it’s good to hear that over time the departments have tighten up their internal policies or for the sake of verifying that or documenting it, I think it would be really good to ask for some recommendations on modifications to the stated policy that we were asked to approve so that we could incorporate some of those lessons learned and document, for lack of a better word, those new policies or new practices that you guys have instituted to sort of not continue to go down some the roads that we don’t want to go down anymore so that the commission could revisit that policy and then sort of update it a little bit. That’s my first comment.

Secondly, I would like to know what we can do if anything, what is our recourse on some of these nonperforming projects. Do we have any real recourse or are we where we are forever? It might be a question for our legal department. I don’t know. **Mr. Levin** said my response would be it would depend a little bit on if there was a development agreement in place and if there was language that gave us some recourse on that agreement. If the project was strictly general obligation backing and some of the residential TIFs that was what was done, it was the most efficient way to finance it and it was with GO backing. I think our objective would be, hopefully that project will improve in the long run. I don’t think there’s really any recourse. I think one step that’s been taken is the NRA policy has been modified to allow the presence of an NRA in conjunction with a TIF to further stimulate the housing market in those residential projects that may not be performing to the level that we had hoped for. **Mr. Bach** said well, Lew is right on from that standpoint. Those that we have recourse usually are usually ones we have a requirement from the developer to come in and fund something in advance before we end up backing it so we’ve taken any of those that we have. That’s probably a good exercise because some of these are dated and go back before any of the staff members here were working in Economic Development. To pull back into those agreements on some of those residential ones particularly and see if there’s anything within them that we can pull out, that gives us some authority to do something with. It would be a good exercise we could go through and some of it may be reaching but it may be an opportunity where we have to do something there and have Legal review that with us and see if we have any opportunities that don’t seem readily apparent to us. We’ll talk a look at that. **Commissioner Walters** said thank you.
BPU Board Member Alvey said I just have a question in regards to the residential TIF projects. I noticed it says under feasibility studies is an adjustment as a result staff has since added a layer into the feasibility study that can account for slower than anticipated construction cycles. Are there any other red flags or markers that would lead us to steer away from particular residential TIF projects in the future? Mr. Brajkovic said I think probably one of the overwriting factors that make residential TIFs a little more challenging is that when you take a commercial project or let’s say maybe like a multi-family project, you can really define the construction timeframe. You know when the project is going to start, when it’s completed and you know when that increment is generated. When you go into let’s say a hundred lot subdivision, it becomes much more difficult to really truly project when that revenue is going to come in at full force.

I think to oversimplify it taking a much more conservative approach to what the revenue generation is going to look like number one and then layering in the performance measures like we’ve done with like Escalade Heights in the past where you started with conservative projections but even to release those funds for reimbursement to the developer, you need to see some construction take place. Five warm white boxes or ten warm white boxes before—I think it’s taking those lessons we’ve learned but then layering in multiple levels of I guess the best way we would call it may be risk litigation on our part in terms of bond debt.

Mr. Bach said I’ll also offer that probably if you look at the dates for our residential TIFs, this really hasn’t been an area we found to be active proponents of coming in and saying we think TIFs a good tool. There are a lot of things about stimulating residential growth, particularly with the NRA piece of it, finding a way to do the infrastructure piece, maybe outside of TIF, particularly in the urban core area is a better way because then you still have the tax rebate program to put on there as an incentive because you have to get the homeowner to come into it. That’s why we have not been actively coming in and promoting. I’m not saying it’s not the right case for it and we don’t really have a policy that says don’t do it but we just haven’t found it to be the market that we find to be attractive for us to go after. In kind of an unseen its almost accouter to where you were at Commissioner Murguia when you said there’s some of these project and there is a couple where there are some public infrastructure in them that is not in this deal.

March 3, 2014
One thing to note in these residential TIFs, a lot of this money does come from public infrastructure. It’s like there’s legacy improvements that we would have in these areas that over a 10 to 20 year period we would probably invest $8,000 to $10,000 per lot, per development just keeping it going and that’s all public infrastructure that’s being offset by the TIF, some cases the TIFs not paying for it but there is a public benefit that comes back out of it too. That incase is really the counter argument to doing a TIF for it. It’s like, let’s find a way for the public investment maybe to be there to incent the infrastructure that comes into it and then let the tax be a rebate tool through the NRA program to get the resident to come in and live in the area.

Chairman McKiernan said if I could maybe wrap up a little bit. It sounds like we’ve come to several possible either conclusions or next steps. First of all, Commissioner Walters asked about options on nonperforming TIFs. Mr. Bach had said you can just take a look at that. Would it be possible for staff to just brainstorm are their options and if the answer is no, then that’s the report but to give us a report at a future meeting on whether or not their brainstorming has yielded any options for moving forward and possibly mitigating some of the nonperforming TIFs. That would be number one.

Number two would be, we had in our packet tonight the policy that we approved that Commissioner Walters referenced from back in December and it’s true that in this policy the first paragraph basically just defines TIF. The second paragraph pretty much just defines how it operates and then the bullet points really are a listing of TIF eligible expenses. This is on the final page of that. I think if I interpret Commissioner Walters desire correctly, it would be that we get some of these adjustments. Some of these state-of-the-art as of today, even if it is a policy recommendation on your part that it gets worked into so that we maintain our institutional knowledge base and its written down and it guides whoever picks up this policy in the future. If you currently are doing a more aggressive feasibility study then maybe the policy say it is recommended that a very strong feasibility study be conducted prior to issuing any TIF. You try to codify some of the lessons learned and put it in the policy then we can bring back and vote on that down the road. That’s my number two.

Number three would be, I had no concept and I will just say, this how much infrastructure got factored in to residential TIFs. That’s just an amazing—we’re challenged across the whole city to replace, update, repair, renovate whatever all of the old infrastructure that we put in 60,
70, more than 80 years ago. I will just say that was a real eye opener for me. I agree with Mr. Bach, maybe it’s time we started looking for different vehicles to replace that infrastructure and not saddle a development with all of those costs. Let the developer focus on the development.

Finally, Commissioner Murguia mentioned some government money beyond TIF that might be a component of some of those projects. I guess two questions would be would you like a report augmenting what we already got, showing those monies and just an open questions is if you have any policy recommendations now or in the future that we might layer into this policy that we’re going to update. Don’t feel compelled to answer right now. If you have an answer that’s fine, but that’s just something that I want to put on the table for you.

Commissioner Murguia said I do have a comment and little bit of a response to that. If the other commissioners feel that would be useful to have that information that would be fine. It would just make me mad all over again. I don’t want to put staff to work when I already know the answer. I will tell you when it was my first year as a commissioner when I got that information I was literally knocked off my feet by how much cash was pumped into some of these projects beyond some of the regular traditional incentive. I don’t want to digress too far off of this issue but Jim sort of really framed this up for me, saying the whole reason this is here in front of us is we’re trying to set policy in regard to TIFs. TIFs have traditionally been used in more challenging areas for redevelopment.

As a person that dabbles in development, I don’t like to see—because one or two people took an incentive or development tool and it was used poorly for it to go away or for it to be so cumbersome no one else can do it. Do you see what I’m trying to say? For me, I don’t know how to do this. I am just thinking out loud if you just bear with me here. I don’t know how to make it happen; maybe it’s too hard for staff to figure this out. Instead of putting lots of criteria and limitations on a TIF, maybe one of the things—maybe we do a little of that and then maybe we also look at the person or the entity proposing using TIF and their capacity to do a TIF project. I always think it’s interesting when we’ve had developers who have more than one, because anybody can have a failed development come in front of us all the time and get money for other developments. I just think that’s interesting. Not that people can’t make mistakes or have a bad situation but when you’re talking millions of dollars and then they come back and they are approved for additionally money or a different type of incentive. I’ve never been on that
end of things. Luckily the developments I’ve worked on have been good and I haven’t yet, I’m sure at some point something will not go right. I don’t know how to manage that. That’s sort of my two cents that we don’t keep you know just like we talked about in the other situations. If we keep doing business people with the same people and expecting different results, we really want to look at that. That would be a big thing when you’re looking at policy. It’s also got to be some piece in there of who we’re doing business with.

Chairman McKiernan said well, I think this has been a very illuminating report and a great discussion, although it came up for discussion only, we do have a couple of action items that we’re taking away and we’ll get updated on those. At some point down the road we will consider an updated revision of the economic development tools, policy and specifically the TIF section.

Mr. Bach said this is maybe a comment in regard to TIFs that never actually start or move. A big one if you look up there in the map is number 29 up in the Wolcott area where we started the TIF district on that. We had a sports theme, retail, redevelopment project that was proposed. We moved forward, got the TIF district set up but we never moved forward with any kind of plan. The developer went away. I think we should probably build into our policy guidelines one, if
there is no expense, no revenue, that there’s a cutoff period that a TIF expires. Commissioner Murguia said that’s a good idea. Chairman McKiernan said that’s a great idea. Mr. Bach said now the flip side I guess is that we’d bring it forward and ask whether we want to renew it. Maybe it’s not an automatic; we probably need to look at that from a legal perspective because when you create a TIF district, you create it for 20 years. Maybe it’s not an automatic expiration that comes in, that it’s something that actually sets out that if there’s no activity on it, then we’ll bring it back to the governing body for consideration to terminate it. That way it’s built into that agreement and it probably has to be structured something like that. I don’t think you can have an automatic expiration on it. It has to be tied to a formal action where it would come back before the governing body but some of just them carry on. Just like that, it just sits there. We talked about Turner Woods earlier; that’s one that was started and moved forward on but we never take any action and it just sits out there. Then you get into questions with the developer, subsequent developer or landowner of it, what’s that right to their TIF after its changed hands a couple of times.

Mr. Levin said I actually asked the question to bond council last week about Wolcott because I really wasn’t certain of the status of it. They said we would have to formally terminate it the same procedure we went through when we terminated several TIFs that we had generated sufficient revenue that were strong performers and we were able to terminate them early. We would take the same steps with Wolcott. There’s actually a little TIF increment that’s been generated since that district was created. I think it’s just simply due to the assessed value of the vacant land might have had a slight increase in value since the onset. I don’t know. I think that’s a good suggestion for the policy. We may want to look at these TIFs that we haven’t had any action and do we want to actually go ahead and terminate those. Chairman McKiernan said that could part of our policy revision then that under certain circumstances staff may recommend terminating a TIF and bring that recommendation forward to commission. Great discussion, great report, thank you to everyone that worked on this. This is good information and ultimately helps us make better decisions going forward.

Mr. Brockman said what about, just to throw out there a TIF that is doing townhomes or so but the economy is saying townhomes are not feasible right now—single family homes. Would that be another part of the policy where we could come in and say well you know the TIF is not—we
got these six townhomes or whatever and it’s not doing well, let’s have an opportunity to change it to single-family homes instead of dissolving it. Mr. Brajkovic said I think a lot of that is addressed in the TIF statute because anytime you make changes to a plan you have to generate a new feasibility study. All those types of changes would have to come before you as a governing body for public discussion on that. That doesn’t diminish that a lot of times we find as we go years into a project that we need to make a substantial change like that. Chairman McKiernan said that just brings up one question for me. If we are guided by certain statutes outside of ourselves and you just referenced that one. I don’t know if it’d be helpful to reference that statute in our internal policy to say that in addition to anything internal that we create we are also bound by and follow statutes at the state or federal level to make it just a more well rounded policy.

Adjourn

Chairman McKiernan adjourned the meeting at 8:00 p.m.

tp

March 3, 2014
TO: Economic Development and Finance Standing Committee

FROM: Lew Levin, Chief Financial Officer

SUBJECT: First Quarter 2014 Investment and Budget Revision Reports

DATE: 4/16/14

Attached are three schedules entitled "Investment by Type, Interest Revenue Earned, and Cash by Fund Type", pertaining to cash investments. A fourth table lists budget revisions approved by Administration in excess of $10,000.

The first schedule contains details of the Unified Government cash currently invested indicating investment type, date invested, maturity date, as well as interest rate.

The second schedule is a chart comparing the total interest earned, and the average invested for the years 2011, 2012, 2013 and 2014 through March 31, 2014.

The third schedule indicates the total cash held by fund type.

The final table provides a brief description of the budget revisions referred to above.

These reports are presented for inclusion in the information packet to the Standing Committee members and no action is required.

cc: Cash Management Committee
# Investment by Type

**Unified Government of Wyandotte County / Kansas City, Kansas**

**March 31, 2014**

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Amount</th>
<th>Rate</th>
<th>Invest. Date</th>
<th>Mat. Date</th>
<th>Days to Mat.</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMB, NBA, Wyandotte - Oper.</td>
<td>$40,314,000</td>
<td>0.260%</td>
<td>03/31/14</td>
<td>04/01/14</td>
<td>1</td>
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<td>UMB, NBA, Wyandotte - Health</td>
<td>2,887,000</td>
<td>0.250%</td>
<td>03/31/14</td>
<td>04/01/14</td>
<td>1</td>
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<tr>
<td><strong>TOTAL REPURCHASE AGREEMENTS</strong></td>
<td>$43,101,000</td>
<td>0.250%</td>
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</table>

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Amount</th>
<th>Rate</th>
<th>Invest. Date</th>
<th>Mat. Date</th>
<th>Days to Mat.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberty Bank Local Emphasis</td>
<td>97,220</td>
<td>0.500%</td>
<td>05/12/13</td>
<td>05/12/14</td>
<td>42</td>
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<tr>
<td>First State Local Emphasis</td>
<td>97,322</td>
<td>0.300%</td>
<td>05/12/13</td>
<td>05/12/14</td>
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</tr>
<tr>
<td>Capital Federal</td>
<td>5,000,000</td>
<td>0.370%</td>
<td>08/10/12</td>
<td>07/18/14</td>
<td>109</td>
</tr>
<tr>
<td>Commerce</td>
<td>5,000,000</td>
<td>0.480%</td>
<td>12/09/11</td>
<td>08/08/14</td>
<td>120</td>
</tr>
<tr>
<td>Capital Federal</td>
<td>10,000,000</td>
<td>0.570%</td>
<td>12/09/11</td>
<td>08/08/14</td>
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<tr>
<td>Capital Federal</td>
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<td>12/01/14</td>
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<tr>
<td>Liberty Bank</td>
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<td>1.280%</td>
<td>05/28/14</td>
<td>12/30/14</td>
<td>274</td>
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<tr>
<td>Capital Federal</td>
<td>7,000,000</td>
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<td>12/13/12</td>
<td>08/28/15</td>
<td>515</td>
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<tr>
<td>Liberty Bank</td>
<td>1,000,000</td>
<td>0.355%</td>
<td>12/14/12</td>
<td>08/26/15</td>
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<tr>
<td>Capital Federal</td>
<td>6,000,000</td>
<td>0.810%</td>
<td>01/20/12</td>
<td>11/03/15</td>
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<tr>
<td>Liberty Bank</td>
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<td>1.110%</td>
<td>02/20/12</td>
<td>11/03/15</td>
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<tr>
<td>Commerce</td>
<td>4,000,000</td>
<td>0.700%</td>
<td>01/20/12</td>
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<td>Capital Federal</td>
<td>5,000,000</td>
<td>0.470%</td>
<td>05/22/13</td>
<td>07/24/16</td>
<td>846</td>
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<td>Liberty Bank</td>
<td>1,000,000</td>
<td>0.082%</td>
<td>12/14/12</td>
<td>12/13/16</td>
<td>998</td>
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<tr>
<td>Capital Federal</td>
<td>5,000,000</td>
<td>0.680%</td>
<td>05/22/13</td>
<td>04/28/17</td>
<td>1,124</td>
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<tr>
<td>Capital Federal</td>
<td>5,000,000</td>
<td>0.680%</td>
<td>05/22/13</td>
<td>05/22/17</td>
<td>1,148</td>
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<tr>
<td><strong>TOTAL CERTIFICATES OF DEPOSIT</strong></td>
<td>$66,194,543</td>
<td>0.440%</td>
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</table>

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Amount</th>
<th>Rate</th>
<th>Invest. Date</th>
<th>Mat. Date</th>
<th>Days to Mat.</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMB/ FFCB</td>
<td>$5,000,000</td>
<td>1.710%</td>
<td>04/28/11</td>
<td>03/24/15</td>
<td>356</td>
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<tr>
<td>UMB/ FHLB</td>
<td>7,037,722</td>
<td>0.356%</td>
<td>02/01/13</td>
<td>05/27/15</td>
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<tr>
<td>UMB/ FHILB</td>
<td>854,326</td>
<td>2.000%</td>
<td>05/08/13</td>
<td>05/13/16</td>
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<tr>
<td>UMB/ FHLB</td>
<td>13,085,827</td>
<td>0.875%</td>
<td>06/20/12</td>
<td>06/23/16</td>
<td>784</td>
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<tr>
<td>UMB/ FHLB</td>
<td>5,000,166</td>
<td>0.060%</td>
<td>12/14/12</td>
<td>12/13/16</td>
<td>986</td>
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<tr>
<td>UMB/FNMA</td>
<td>4,995,774</td>
<td>0.670%</td>
<td>08/09/13</td>
<td>05/06/17</td>
<td>1,163</td>
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<tr>
<td><strong>TOTAL U.S. TREASURY</strong></td>
<td>$35,973,518</td>
<td>0.774%</td>
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</table>

**Statistics**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Avg. Days</th>
<th>561</th>
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</thead>
<tbody>
<tr>
<td>Total Investments</td>
<td>$144,169,368</td>
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</tr>
<tr>
<td>Overall Average Rate of Interest</td>
<td>0.52%</td>
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<tr>
<td>Average Investment</td>
<td>$173,223,372</td>
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<tr>
<td>Weighted Average Yield</td>
<td>0.43%</td>
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<tr>
<td>91-day T-Bill Rate (Benchmark)</td>
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</tr>
<tr>
<td>Average Weighted Maturity</td>
<td>330.09</td>
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</tr>
<tr>
<td>Interest Posted Through March 31, 2014</td>
<td>$63,457</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

**ALL ABOVE INVESTMENTS ARE FULLY COLLATERALIZED IN COMPLIANCE WITH THE UNIFIED GOVERNMENTS INVESTMENT POLICIES AND K.S.A. 9-1402

* INTEREST POSTED IS CALCULATED ON A GAAP BASIS.
### CASH BY FUND TYPE
March 31, 2014

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Amount</th>
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<tbody>
<tr>
<td>GENERAL FUND TYPE</td>
<td>26,367,275</td>
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<tr>
<td>SPECIAL REVENUE FUND TYPE</td>
<td>12,402,599</td>
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<tr>
<td>DEBT SERVICE FUND TYPE</td>
<td>12,521,311</td>
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<tr>
<td>CAPITAL PROJECT FUND TYPE</td>
<td>73,230,616</td>
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<tr>
<td>ENTERPRISE FUND TYPE</td>
<td>18,939,907</td>
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<tr>
<td>INTERNAL SERVICE FUND TYPE</td>
<td>(470,431)</td>
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<td>TRUST AND AGENCY FUND TYPE</td>
<td>8,016,105</td>
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</table>

**TOTAL CASH**  
151,007,382

The difference between the Cash by Fund Type and the Investment by Type report is the investment of reconciling items, such as outstanding warrants.
<table>
<thead>
<tr>
<th>ENTRY</th>
<th>FUND</th>
<th>DEPARTMENT</th>
<th>CMIP/OPERATING</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
<th>DATE APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>City General Fund</td>
<td>Public Works - Buildings</td>
<td>Capital</td>
<td>Shift funds to pay for additional retests related to window project</td>
<td>$13,000</td>
<td>January 24, 2014</td>
</tr>
<tr>
<td>2</td>
<td>County General Fund</td>
<td>Sheriff's Department</td>
<td>Operating</td>
<td>Shift funds with in Sheriff's Budget to pay crisis intervention contract</td>
<td>$82,268</td>
<td>March 26, 2014</td>
</tr>
<tr>
<td>3</td>
<td>Consolidated Parks Fund</td>
<td>Parks &amp; Recreation</td>
<td>Operating</td>
<td>Provide funding for continued operations of YMCA</td>
<td>$75,000</td>
<td>April 3, 2014</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td>$170,268</td>
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</table>
Staff Request for Commission Action

Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 4/28/2014
(If none, please explain):

Proposed for the following Full Commission Meeting Date: Confirmed Date: 5/15/2014
5/15/2014

Changes Recommended By Standing Committee (New Action Form required with signatures)

<table>
<thead>
<tr>
<th>Date</th>
<th>Contact Name</th>
<th>Contact Phone</th>
<th>Contact Email</th>
<th>Ref</th>
<th>Department / Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/15/2014</td>
<td>Lew Levin</td>
<td>913-573-5186</td>
<td><a href="mailto:twoolridge@wycokck.org">twoolridge@wycokck.org</a></td>
<td></td>
<td>Finance</td>
</tr>
</tbody>
</table>

Item Description:


This ordinance provides annual appropriation backing as security for the debt service.

Action Requested:
Forward to Full Commission for adoption subject to successful sale results. Bid proposals will be submitted by May 9, 2014 with Commission action on May 15, 2014.

Publication Required

Budget Impact: (if applicable)

Amount: $
Source:

- Included In Budget
- Other (explain) TDD Revenues are pledged for debt service

File Attachment

File Attachment

File Attachment
ORDINANCE NO. O-_____14

AN ORDINANCE AUTHORIZING THE ISSUANCE OF TRANSPORTATION DEVELOPMENT DISTRICT SALES TAX REVENUE REFUNDING BONDS (HAPPY FOODS PROJECT), SERIES 2014 IN THE MAXIMUM PRINCIPAL AMOUNT OF $340,000 OF THE UNITED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, FOR THE PURPOSE OF REFUNDING THE OUTSTANDING TRANSPORTATION DEVELOPMENT DISTRICT SALES TAX REVENUE BONDS (HAPPY FOODS PROJECT) SERIES 2009, WHICH FINANCED CERTAIN TRANSPORTATION PROJECT COSTS IN CONNECTION WITH THE HAPPY FOODS TRANSPORTATION DEVELOPMENT DISTRICT; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”), is a municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Kansas as a consolidated city-county having all the powers, functions and duties of a county and a city of the first class; and

WHEREAS, the Unified Government has the authority to create a transportation development district pursuant to the Transportation Development District Act, K.S.A. 12-17,140 et seq., as amended (the “Act”); and

WHEREAS, the Unified Government created a transportation development district (the “Happy Foods Transportation District”) by the adoption of Ordinance No. O-68-08 on September 18, 2008 (“TDD Creation Ordinance”) and approved a transportation district sales tax within the Transportation District in the amount of 1.0% on the selling of tangible personal property at retail or rendering or furnishing services within the Happy Foods Transportation District (the “TDD Sales Tax”); and

WHEREAS, the Unified Government previously issued its Transportation Development District Sales Tax Revenue Bonds (Happy Foods Project), Series 2009 in the initial aggregate principal amount of $400,000 (the “Series 2009 Bonds”) to pay a portion of the Transportation Project Costs in the Happy Foods Transportation District, fund a portion of the capitalized interest on the Bonds and pay the costs of issuing the Bonds; and

WHEREAS, the Unified Government hereby determines that it is necessary and desirable to refund the outstanding Series 2009 Bonds through the issuance of its Transportation Development District Sales Tax Revenue Refunding Bonds, Series 2014, in the maximum aggregate principal amount of $[PRINCIPAL AMOUNT] (the “Series 2014 Bonds”).

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:
Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Ordinance, the following capitalized words and terms as used in this Ordinance shall have the following meanings:

"TDD Sales Tax Revenue Fund" means the Sales Tax Revenue Fund of the Unified Government created for the TDD Sales Tax Revenues (as defined in the Indenture) of the Happy Foods Transportation District.

"Transportation Project Costs" means those costs approved in the TDD Creation Ordinance.

Section 2. Authorization of the Series 2014 Bonds. The Unified Government is hereby authorized to issue and sell the Series 2014 Bonds and use the proceeds to refinance the Series 2009 Bonds and pay certain issuance costs related to the Series 2014 Bonds. The Series 2014 Bonds (i) shall be issued in a principal amount of not to exceed $340,000 (ii) shall bear interest at a rate not to exceed ___% (iii) shall have a final maturity not later than June 1, 2024, (iv) shall pay principal at maturity, (v) shall be sold at [par] to _________, _________, _________, (vi) shall be subject to optional prepayment at the option of the Unified Government in whole or in part at any time at 100% of the principal amount thereof, plus interest accrued thereon to the prepayment date, and (vii) shall be subject to mandatory prepayment in whole or in part at any time at 100% of the principal amount thereof, plus interest accrued thereon to the prepayment date from any Excess TDD Sales Tax Revenues (as defined in the Indenture). The final terms of the Series 2014 Bonds shall be specified in the Indenture described herein upon the execution thereof, and the signatures of the Mayor/CEO when executing such Indenture shall constitute conclusive evidence of the Mayor/CEO’s approval and the Unified Government’s approval thereof.

The Series 2014 Bonds, together with interest and premium, if any, thereon are not general obligations of the Unified Government but are limited obligations payable solely from the trust estate pledged to the payment thereof under the Indenture and shall be a valid claim of the respective holders thereof only against the trust estate and other moneys held by the Trustee and the revenues so pledged as aforesaid. In no event shall the Series 2014 Bonds be payable out of any funds or properties other than those pledged or acquired under the Indenture, and the Series 2014 Bonds shall not be deemed to constitute a debt or liability of the State of Kansas, the Unified Government or of any political subdivision thereof and the issuance of the Series 2014 Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State of Kansas or any political subdivision thereof to levy any form of taxation therefore or to budget or make any appropriation for their payment. Nothing in the Series 2014 Bonds, the Indenture, the proceedings of the Unified Government authorizing the Series 2014 Bonds or the Act shall be construed to be a debt or loan of credit of the Unified Government, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 3. Security for the Series 2014 Bonds; Annual Appropriation. The Unified Government shall deposit the TDD Sales Tax into the TDD Sales Tax Revenue Fund. The moneys and securities now or hereafter held in, and moneys and securities to be deposited in the TDD Sales Tax Revenue and all interest and earnings thereon and proceeds thereof are hereby pledged to secure the payment of the Series 2014 Bonds. The moneys in the TDD Sales Tax Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Ordinance and the Indenture. The TDD Sales Tax Revenues shall be determined and collected in the manner provided by law and as provided in the Indenture. Subject to annual approval by the governing body, the Unified Government agrees to budget and appropriate sufficient funds to pay the principal and interest on the Series 2014 Bonds when due.
Section 4. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the Unified Government at this meeting (copies of which documents shall be filed in the records of the Unified Government), and the Unified Government is hereby authorized to execute and deliver each of such documents to which the Unified Government is a party (the “Unified Government Documents”) with such changes therein as shall be approved by the officer or officers of the Unified Government executing such documents, such officers’ signatures thereon being conclusive evidence of their approval and the Unified Government’s approval thereof:

(a) Bond Trust Indenture dated as of the date stated therein (the “Indenture”), between the Unified Government and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the “Trustee”); and

(b) Tax Compliance Agreement dated as of the date stated therein (the “Tax Compliance Agreement”) between the Unified Government and the Trustee.

Section 5. Execution of Series 2014 Bonds and Documents. The Mayor/CEO of the Unified Government is hereby authorized and directed to execute the Series 2014 Bonds and to deliver the Series 2014 Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Unified Government in the manner provided in the Indenture. The Mayor/CEO of the Unified Government is hereby authorized and directed to execute the Indenture and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the Unified Government. The Clerk of the Unified Government is hereby authorized and directed to attest to and affix the seal of the Unified Government to the Series 2014 Bonds, the Indenture and such other documents, certificates and instruments as may be necessary.

Section 6. Tax Covenants. The Unified Government covenants and agrees that (a) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Series 2014 Bonds; and (b) it will not use or permit the use of any proceeds of Series 2014 Bonds or any other funds of the Unified Government, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Series 2014 Bonds. The Unified Government will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Series 2014 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Unified Government.

Section 7. Further Authority. The Unified Government shall, and the officers, employees and agents of the Unified Government are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the Unified Government with respect to the Series 2014 Bonds and the Indenture, including, but not limited to, agreements with respect to the investment of funds held under the Indenture.

Section 8. Governing Law. This Ordinance and the Series 2014 Bonds shall be governed by and construed in accordance with the applicable laws of the State.
Section [8][9]. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the Unified Government and publication in the official Unified Government newspaper.

PASSED by the Board of Commissioners of The Unified Government of Wyandotte County/Kansas City, Kansas, this 15th day of May, 2014.

[SEAL]

ATTEST:

__________________________________________
Unified Government Clerk

Approved as to Form:

__________________________________________
Chief Counsel
**Staff Request for Commission Action**

**Type:** Standard  
**Committee:** Economic Development and Finance Committee

**Date of Standing Committee Action:** 4/28/2014  
(If none, please explain):

**Proposed for the following Full Commission Meeting Date:** 5/15/2014  
**Confirmed Date:** 5/15/2014  
**Changes Recommended By Standing Committee (New Action Form required with signatures)**

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<th>Contact Phone:</th>
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<tr>
<td>4/15/2014</td>
<td>Lew Levin</td>
<td>913-573-5186</td>
<td><a href="mailto:twoolridge@wycocck.org">twoolridge@wycocck.org</a></td>
<td></td>
<td>Finance</td>
</tr>
</tbody>
</table>

**Item Description:**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF TRANSPORTATION DEVELOPMENT DISTRICT SALES TAX REVENUE REFUNDING BONDS (PRESCOTT PLAZA PROJECT), SERIES 2014 IN THE MAXIMUM PRINCIPAL AMOUNT OF 1,550,000 OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, FOR THE PURPOSE OF REFUNDING THE OUTSTANDING TRANSPORTATION DEVELOPMENT DISTRICT SALES TAX REVENUE REFUNDING BONDS (PRESCOTT PLAZA PROJECT), SERIES 2011;

This ordinance provides annual appropriation backing as security for the debt service.

**Action Requested:**
Forward to Full Commission for adoption subject to successful sale results. Bid proposals will be submitted by May 9, 2014 with Commission action on May 15, 2014.

**Publication Required**

**Budget Impact:** (if applicable)

- **Amount:** $  
- **Source:**  
  - Included In Budget  
  - Other (explain)  

- **File Attachment**  
- **File Attachment**  
- **File Attachment**
ORDINANCE NO. O-____-14

AN ORDINANCE AUTHORIZING THE ISSUANCE OF TRANSPORTATION DEVELOPMENT DISTRICT SALES TAX REVENUE REFUNDING BONDS (PRESCOTT PLAZA PROJECT), SERIES 2014 IN THE MAXIMUM PRINCIPAL AMOUNT OF 1,550,000 OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, FOR THE PURPOSE OF REFUNDING THE OUTSTANDING TRANSPORTATION DEVELOPMENT DISTRICT SALES TAX REVENUE REFUNDING BONDS (PRESCOTT PLAZA PROJECT), SERIES 2011; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

WHEREAS, the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”), is a municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Kansas as a consolidated city-county having all the powers, functions and duties of a county and a city of the first class; and

WHEREAS, the Unified Government has the authority to create a transportation development district pursuant to the Transportation Development District Act, K.S.A. 12-17,140 et seq., as amended (the “Act”); and

WHEREAS, the Unified Government created a transportation development district (the “Prescott Plaza Transportation District”) by the adoption of Ordinance No. O-89-07 on November 1, 2007 (“TDD Creation Ordinance”) and approved a transportation district sales tax within the Transportation District in the amount of 1.0% on the selling of tangible personal property at retail or rendering or furnishing services within the Prescott Plaza Transportation District (the “TDD Sales Tax”); and

WHEREAS, pursuant to Ordinance No. O-44-08 the Unified Government issued its Transportation Development District Sales Tax Revenue Bonds (Prescott Plaza Project), Series 2008 (the “Series 2008 Bonds”), in the principal amount of $2,000,000 to pay a portion of the Transportation Project Costs in the Prescott Plaza Transportation District, fund a portion of the capitalized interest on the Series 2008 Bonds and pay the costs of issuing the Series 2008 Bonds; and

WHEREAS, pursuant to Ordinance No. O-18-11 the Unified Government issued its Transportation Development District Sales Tax Revenue Refunding Bonds (Prescott Plaza Project), Series 2011 (the “Series 2011 Bonds”), in the principal amount of $1,930,000 to refund the Series 2008 Bonds and pay the costs of issuing the Series 2011 Bonds; and

WHEREAS, the Unified Government has determined that it is necessary and desirable to issue its Transportation Development District Sales Tax Revenue Refunding Bonds (Prescott Plaza Project), Series 2014 (the “Bonds”), in the principal amount of $[PRINCIPAL AMOUNT] to (a) refund the outstanding Series 2011 Bonds, and (b) pay costs of issuing the Series 2014 Bonds;
NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS, AS FOLLOWS:

Section 1. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Ordinance, the following capitalized words and terms as used in this Ordinance shall have the following meanings:

"TDD Sales Tax Revenue Fund" means the Sales Tax Revenue Fund of the Unified Government created for the TDD Sales Tax Revenues (as defined in the Indenture) of the Prescott Plaza Transportation District.

"Transportation Project Costs" means those costs approved in the TDD Creation Ordinance.

Section 2. Authorization of the Series 2014 Bonds. The Unified Government is hereby authorized to issue and sell the Series 2014 Bonds and use the proceeds to refund the Series 2011 Bonds and pay certain issuance costs related to the Series 2014 Bonds. The Series 2014 Bonds (i) shall be issued in a principal amount of not to exceed 1,550,000, (ii) shall bear interest at a rate not to exceed _____%, (iii) shall have a final maturity not later than June 1, 2024, (iv) shall pay principal at maturity, (v) shall be sold at [par] to __________, __________, __________, (vi) shall be subject to optional prepayment at the option of the Unified Government in whole or in part at any time at 100% of the principal amount thereof, plus interest accrued thereon to the prepayment date, and (vii) shall be subject to mandatory prepayment in whole or in part at any time at 100% of the principal amount thereof, plus interest accrued thereon to the prepayment date from any Excess TDD Sales Tax Revenues (as defined in the Indenture). The final terms of the Series 2014 Bonds shall be specified in the Indenture described herein upon the execution thereof, and the signatures of the Mayor/CEO when executing such Indenture shall constitute conclusive evidence of the Mayor/CEO’s approval and the Unified Government’s approval thereof.

The Series 2014 Bonds, together with interest and premium, if any, thereon are not general obligations of the Unified Government but are limited obligations payable solely from the trust estate pledged to the payment thereof under the Indenture and shall be a valid claim of the respective holders thereof only against the trust estate and other moneys held by the Trustee and the revenues so pledged as aforesaid. In no event shall the Series 2014 Bonds be payable out of any funds or properties other than those pledged or acquired under the Indenture, and the Series 2014 Bonds shall not be deemed to constitute a debt or liability of the State of Kansas, the Unified Government or of any political subdivision thereof and the issuance of the Series 2014 Bonds shall not, directly, indirectly or contingently, obligate the Unified Government, the State of Kansas or any political subdivision thereof to levy any form of taxation therefor or to budget or make any appropriation for their payment. Nothing in the Series 2014 Bonds, the Indenture, the proceedings of the Unified Government authorizing the Series 2014 Bonds or the Act shall be construed to be a debt or loan of credit of the Unified Government, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 3. Security for the Series 2014 Bonds; Annual Appropriation. The Unified Government shall deposit the TDD Sales Tax into the TDD Sales Tax Revenue Fund. The moneys and securities now or hereafter held in, and moneys and securities to be deposited in the TDD Sales Tax Revenue and all interest and earnings thereon and proceeds thereof are hereby pledged to secure the payment of the Series 2014 Bonds. The moneys in the TDD Sales Tax Revenue Fund shall be
administered and applied solely for the purposes and in the manner provided in this Ordinance and the Indenture. The TDD Sales Tax Revenues shall be determined and collected in the manner provided by law and as provided in the Indenture. Subject to annual approval by the governing body, the Unified Government agrees to budget and appropriate sufficient funds to pay the principal and interest on the Series 2014 Bonds when due.

Section 4. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the Unified Government at this meeting (copies of which documents shall be filed in the records of the Unified Government), and the Unified Government is hereby authorized to execute and deliver each of such documents to which the Unified Government is a party (the "Unified Government Documents") with such changes therein as shall be approved by the officer or officers of the Unified Government executing such documents, such officers’ signatures thereon being conclusive evidence of their approval and the Unified Government’s approval thereof:

(a) Bond Trust Indenture dated as of the date stated therein (the “Indenture”), between the Unified Government and Security Bank of Kansas City, Kansas City, Kansas, as trustee (the “Trustee”); and

(b) Tax Compliance Agreement dated as of the date stated therein (the “Tax Compliance Agreement”) between the Unified Government and the Trustee.

Section 5. Execution of Series 2014 Bonds and Documents. The Mayor/CEO of the Unified Government is hereby authorized and directed to execute the Series 2014 Bonds and to deliver the Series 2014 Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Unified Government in the manner provided in the Indenture. The Mayor/CEO of the Unified Government is hereby authorized and directed to execute the Unified Government Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the Unified Government. The Clerk of the Unified Government is hereby authorized and directed to attest to and affix the seal of the Unified Government to the Series 2014 Bonds, the Unified Government Documents and such other documents, certificates and instruments as may be necessary.

Section 6. Tax Covenants. The Unified Government covenants and agrees that (a) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Series 2014 Bonds; and (b) it will not use or permit the use of any proceeds of Series 2014 Bonds or any other funds of the Unified Government, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Series 2014 Bonds. The Unified Government will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Series 2014 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Unified Government.

Section 7. Further Authority. The Unified Government shall, and the officers, employees and agents of the Unified Government are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the Unified Government with respect to the Series 2014 Bonds and the Unified
Government Documents, including, but not limited to, agreements with respect to the investment of funds held under the Indenture.

Section 8. **Governing Law.** This Ordinance and the Series 2014 Bonds shall be governed by and construed in accordance with the applicable laws of the State.

Section 9. **Effective Date.** This Ordinance shall take effect and be in full force from and after its passage by the governing body of the Unified Government and publication in the official Unified Government newspaper.

**PASSED** by the Board of Commissioners of The Unified Government of Wyandotte County/Kansas City, Kansas, this 15th day of May, 2014.

[SEAL]

ATTEST:

______________________________
Unified Government Clerk

Approved as to Form:

______________________________
Chief Counsel

Mayor/CEO
**Staff Request for Commission Action**

**Type:** Blue Sheet Amendment  
**Committee:** Economic Development and Finance Committee

**Date of Standing Committee Action:** 4/28/2014  
(If none, please explain):

**Proposed for the following Full Commission Meeting Date:** 5/15/2014  
**Confirmed Date:** 5/15/2014

**Changes Recommended by Standing Committee (New Action Form required with signatures)**

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<tr>
<td>4/17/2014</td>
<td>Doug Bach</td>
<td>5030</td>
<td><a href="mailto:jleverich@wycokc.org">jleverich@wycokc.org</a></td>
<td>il</td>
<td>County Administrator</td>
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**Item Description:**  
This item is being presented as a follow-up to the April 7 Economic and Development Standing Committee meeting. As per standing committee direction, a series of informational meetings are being held and an amendment to the Development Agreement with Sporting Kansas City (SKC) to provide 8 additional FUTSOL courts in our community has been developed and is attached.

**Action Requested:**  
For approval and submission to full commission for final consideration.

**Publication Required**

**Budget Impact: (if applicable)**

- **Amount:** $
- **Source:**
  - [x] Included In Budget  
  - [ ] Other (explain) Policy action by Commission

**File Attachments:**

- File Attachment
- File Attachment
- File Attachment
- File Attachment
Staff Request for Commission Action

Tracking No. 140135

- Revised
- On Going

Type: Standard
Committee: Economic Development and Finance Committee

Date of Standing Committee Action: 4/28/2014
(If none, please explain):

Proposed for the following Full Commission Meeting Date: 5/15/2014
Confirmed Date: 5/15/2014

Changes Recommended By Standing Committee (New Action Form required with signatures)

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<tr>
<td>4/16/2014</td>
<td>George Brajkovic</td>
<td>x.5749</td>
<td><a href="mailto:gbrajkovic@wycokck.org">gbrajkovic@wycokck.org</a></td>
<td></td>
<td>Economic Development</td>
</tr>
</tbody>
</table>

Item Description:
JE Dunn has acquired a 20+ acre site at 240 S 65th St, and they intend to consolidate 3 logistic divisions on site. the project is expected to include an 80k sqft facility and includes 65 FTE to be relocated to the site. The building/land are expected to be a $9M investment, but including the equipment bumps the total Capital Investment to over $45M. JE Dunn is requesting the use of IRBs, not backed by the UG, and qualifies for a 65% abatement PILOT.

**DOCUMENTS FORTHCOMING**

Action Requested:
Approve item so that it may move forward to FC on May 15, 2014 to conduct a Public Hearing to consider the abatement/PILOT.

Publication Required

Budget Impact: (if applicable)

Amount: $36,000.00
Source:
- Included In Budget
- Other (explain) Bond issuance fee. Positive tax impact.